

Sec. 101, line 6:

Updating change of date, from 1963 to 1964, in the short title.

Sec. 111 (3), lines 7 - 10:

Committee felt that definition of term "qualifying service" used in sections 233, page 18, line 2, and 235 (a), page 22, line 1, was necessary. The definition set forth in this print was modified at the last moment at Agency suggestion as follows:

"(c) "Qualifying service" means service performed as a participant in the system or, in the case of service prior to designation, service determined by the Director to have been performed in carrying out duties described in section 203."

Sec. 204 (b) (3), line 3 (p. 5) - line 14 (p. 6):

The Senate Committee deleted the definition of child which was founded in the provisions of the Foreign Service Act and substituted one founded in the Civil Service ^{Retirement} Act which extends the definition of child to include a full-time student up to age 21.

Sec. 221 (b), line 22:

Committee felt that Civil Service provision that widow's annuity be terminated by either death or remarriage should be followed rather than the more liberal termination only by death which is found in the Foreign Service Act.

Line 24:

Senate Committee upgraded the survivor annuity to 55 per cent to conform to Civil Service.

Sec. 221 (b), lines 5 and 7:

Liberalizes the required reduction of employee's annuity when election is made for survivor benefits. It establishes the reduction of 2 1/2 per cent of the first \$3600 (rather than first \$2400) and 10 per cent of the balance in conformance with Civil Service.

Sec. 221 (e), line 5 (p. 9) - line 2 (p. 10):

Senate Committee adjusted the section to Civil Service definition of child to include "student" and provided for starting child's annuity the day after the employee dies rather than the first day of the month following the death.

Sec. 221 (f), lines 7 - 9:

**Committee identified the Civil Service provision
relating to insurable interest.**

Line 17:

**Survivor annuity upgraded to 55 per cent to conform
to Civil Service.**

Sec. 231 (a), lines 13-14, and line 21:

Senate Committee established age 60 as the cut off for constructive service credit in conformance with Civil Service standard and thereby eliminated the former age 65 cut off for constructive credit for grade 18's and above.

Lines 21-22:

The phrase "but this provision shall not increase the annuity of any survivor" withdraws the benefit of constructive basis of annuity for computation of survivor benefits and allows computation in such cases only on the actual number of years service credit. This change conforms to Civil Service standards.

Sec. 231 (b), line 7:

**Clarifying change referencing specific section which
establishes mandatory retirement age.**

Sec. 232 (b), line 17:

Increases the annuity of a widow or dependent widower to 55 per cent of the annuity of the deceased participant, as provided in Civil Service.

Lines 18 - 19:

This change reflects the deletion of section 232 (c).

Lines 21 - 22:

As in section 221 (b) above this change provides for termination of annuity to a widow or dependent widower upon remarriage, in conformity with Civil Service.

Sec. 232 (c), lines 3 - 16:

This change deletes the paragraph which provided that annuities payable to a widow or dependent widower would be computed on the assumption that the participant had twenty years of service. Such annuities will now be based on the participant's actual years of service, as under Civil Service.

Sec. 233, line 2:

Senate Committee consideration tightened this provision by increasing from 5 to 10 years' service requirement with the agency and adding the provision that at least 5 of the 10 years be in qualifying service. This addition contributed to the requirement for definition of "qualifying service" at section 111.

Sec. 234 (a), lines 5 - 9:

Requires a participant to have at least five years of Agency service, rather than service credit to qualify for a deferred annuity. This is consistent with other changes establishing minimum periods of Agency and/or qualifying service for benefits. The Committee felt that specifying an Agency service requirement for discontinued service would preclude the possibility that an individual with only a year or so of Agency service, but additional years of prior service credit, might draw an annuity at the two per cent rate from this system.

Line 18 and Sec. 234 (b), lines 21 and 22:

Establishes age 62 for commencement of a deferred annuity rather than age 60. This Committee change conforms to the Civil Service system.

Sec. 234 (c), line 25 (page 18) - line 8 (page 19):

Deletion of provision for involuntary retirement at the discretion of the Director for participants in GS-14 or above. New Section 235 (a) below provides for involuntary retirement with 25 years of service or at age 50 with 20 years of service providing the individual has 10 years' Agency and 5 years' qualifying service.

Sec. 234 (d), line 9 (page 19) - line 16 (page 20):

Deletion of provision for involuntary retirement at the discretion of the Director of participants in GS-13 or below (or GS-14 or above who does not meet the service requirements of Section 234 (c)); provided separation pay and either a refund of contributions or a deferred annuity. See note at page 21 regarding new Section 235 (a) as partial substitute but without provision for separation pay.

Sec. 234 (e), lines 17-23:

Deletion of provision for assignability of separation pay. This provision is no longer necessary with deletion of provision in Section 234 (d) above for separation pay.

Sec. 235 (a), line 17 (p. 21) - line 3 (p. 22):

This section provides for involuntary retirement at the discretion of the Director of a participant at age 50 with 20 years of service or at any age with 25 years of service but, in either case, with five years of qualifying and ten years of Agency service. It is similar to Civil Service, but without reduction of annuity for retirement under age 60.

Sec. 235 (b), lines 4-18:

Replaces former sections 235 (a) and (b) to combine provision for mandatory age retirement of GS-18 and above at age 65 and of GS-17 and below at age 60. Establishes a requirement for at least five years of Agency service to qualify for an immediate annuity. Here again, the Committee was concerned that a person with little Agency service would qualify for annuity at the two per cent rate.

Sec. 236, lines 19-25:

This is a new provision establishing limit of 400 on all retirements, except for disability, with an immediate annuity during each of the five fiscal year periods ending 30 June 1969 and 30 June 1974 respectively. With regard to the first five years, this limitation poses no foreseeable problem for the Agency. Present projections do not carry into the second five years.

Sec. 241 (a), lines 7 - 12, and

Sec. 241 (b), lines 20 - 21 and 24 - 25:

These amendments conform the interest rates on
returned contributions to those of Civil Service and set forth
the same conditions for payment of interest.

Sec. 252 (a) (2), lines 1 and 2:

This change provides that military and naval service will be creditable only if performed prior to the date of separation upon which title to an annuity is based, and is taken from section 3 (b) of the Civil Service Retirement Act.

Sec. 252 (b), lines 6 - 14:

This change provides the percentage of basic annual salary and the interest rates on contributions deposited by participants to cover prior civilian service. It is identical to those prescribed under the Civil Service Retirement Act and incorporates the Civil Service salary percentages and interest rates by reference to that Act.

Sec. 252 (c) (2), lines 13 - 15:

This section relates only to those individuals whose contributions are transferred from Civil Service to the Agency Fund. It provides that they shall not be required to make any additional contribution for the service covered. It further provides that any refund of such contributions will be in accordance with the rates established by the Civil Service ^{Retirement} Act and again cites the appropriate section of that Act. The section formerly provided that all such refunds would be made as if the contributions for the periods involved had been made at a rate no higher than 6 1/2 per cent.

Sec. 252 (f), lines 25 (p. 28) - 18 (p. 29):

This change provides that military service performed after December 1956 shall not be included in determining the period of service upon which an annuity should be based if a participant, his widow, or child becomes entitled to monthly old age survivors' benefits under the Social Security Act. This section conforms this provision with section 3 (j) of the Civil Service Retirement Act. This affects a clarification of the intent to avoid credit where there is a Social Security entitlement. The previous language would have allowed crediting wherever Civil Service benefits were not actually received.

Sec. 253 (a), lines 20 (p. 29) - 5 (p. 30):

This addition by the Senate Committee incorporates the Civil Service provision relating to crediting of periods of military leave of absence set forth at section 3 (d) of the Civil Service Retirement Act. It clarifies the original intent of the bill to credit military service in the same fashion as it is credited under Civil Service.

Sec. 263, line 10:

This change reflects the fact that section 234 (e)
was deleted.

Sec. 271 (a), lines 15 and 16:

This change reflects the Senate Committee determination
that recall is contingent upon the consent of the retired partici-
pant and avoids possible future questions on this issue.

Sec. 273 (a), line 16 (p. 32) - 2 (p. 33):

This section provides for the deduction from salary of the annuity of an annuitant re-employed in the federal service. This change conforms to section 13 (b) of the Civil Service Retirement Act. The Committee action deleted the authority to allow annuitants re-employed in the federal service to retain so much of the Agency annuity, in addition to the federal salary, as would not exceed his salary at time of retirement.

Sec. 273 (b), lines 3 - 7:

This paragraph required notice to the Agency when the annuitant was reemployed in the federal service. It is no longer necessary since the responsibility is now placed by Sec. 273 (a) in the reemploying agency, to make necessary adjustments in salary.

Part J, lines 5 (p. 35) - 10 (p. 37):

This new section provides for automatic increase of annuities in proportion to increases in the cost of living. When the change in the price index equals a rise of three per cent each annuity payable from the fund commencing in a year prior to that change shall be increased by the per centum rise in the price index. Aside from a minor technical difference this section is the same as section 18 of the Civil Service Retirement Act. Foreign Service is currently seeking similar statutory authority.